

GOVERNOR'S
ENERGY EFFICIENCY AND RENEWABLES
TASK FORCE

Minutes
Meeting of 3/16/04

The minutes of the February 17, 2004 meeting were approved.

Handouts were circulated including a summary of the status of Task Force policy initiatives dated March 16, 2004, a summary of electronic communications received from the Task Force website January 15th through March 15, 2004, and copies of bills SB 554, SB 111, SB 155 and AB 762.

Brian Rude reported on the current status of bills as a result of the recommendations of the Statutory and Regulatory Initiatives Workgroup and commended the bipartisan efforts of legislators on the Task Force. His report included the following bills:

1. SB 554, regarding a renewable resource target for state facilities, was introduced on March 11, 2004 by Senators Cowles and Risser, and cosponsored by Representatives Jensen and Black. The definition of the provision encouraging the state to enter into long-term contracts with utilities to purchase renewable energy was again discussed. As the bill was just introduced, there was not enough time for legislative consideration.
2. SB 155 regarding the State use of hybrid vehicles passed both houses and is on the Governor's desk for signature.
3. SB 113 authorizing DOA to prepare an energy impact report on any proposed state agency rule that significantly impacts energy policies passed both houses and is on the Governor's desk for signature.
4. SB 111 regarding energy efficiency standards/codes for equipment used in state buildings passed the Senate and ran out of time in the Assembly. Todd Stuart explained that the substitute amendment of the bill includes a direction to the Dept. of Commerce to update the ASHRAE standard. There was also discussion of implementing an

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executive order instead of SB 111. Keith Reopelle discussed the need to make this bill broader and stronger, and used as an example an energy conservation law that passed in Maine last year.

5. AB 762 creating a sales and use tax exemption for small-scale renewable energy projects ran out of time in both houses.
6. SB 112 regarding the review of commercial lighting plans will be referred to and addressed by the Standards Building Codes Workgroup.
7. The letter to Secretary Hassett of the Department of Natural Resources requesting consideration of small-scale environmentally friendly projects as rules are promulgated for the Job Creation Act has been sent.
8. The letter to the Public Service Commission regarding an energy efficiency potential study has also been sent.

The Task Force Chair will draft a letter to the Governor requesting the consideration of SB 554 and SB 111 in a special session. The possibility of an executive order was also discussed. The letter will be forwarded to the Task Force for additional input before submitting it to the Governor.

There was discussion of how to use the remaining time within the workgroups, and how the Statutory and Regulatory Initiatives Workgroup could assist the other workgroups now that the short-term legislative issues have been completed. All members of the Task Force are encouraged to participate in workgroups of their choice and workgroup meeting dates were provided. Now is the time to get any recommendations to the workgroups.

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Workgroup reports are as follows:

Administrative Model and Funding for Energy Efficiency

The workgroup is looking at the development of administrative model options and will provide its recommendations to the Task Force by July. The Task Force will then review and decide what to do with the recommendations. While this workgroup's minutes detail the progress of the group, matters under discussion include: administrative oversight, funding adequacy, integration with the state's resource selection process, funding equity and funding security. The next workgroup meeting is April 6, 2004.

During the discussion of this workgroup's progress, Rep. Jensen highlighted two issues for consideration: funding transparency and the "change as little as possible" premise. He asked that the mechanism for collecting the funds be consistent, rather than the dual system that currently exists. He also questioned the reasoning behind the "change as little as possible" thinking as the program has been subject to much legislative turmoil. It was determined that recommendations in the form of a redlined version of Act 9, the law that established Public Benefits originally, would be helpful.

Rep. Black stated that Act 9 was a trade-off, and that the purpose and scope of the Public Benefits program should not change. Charlie Higley stated that an energy efficiency utility is needed and that Focus on Energy should take this form. It was decided that the Administrative Model Workgroup co-chairs will meet with the legislators serving on the Task Force to get their input and to discuss the progress of the workgroup.

Other Statutory and Regulatory Initiatives

Workgroup's status was discussed previously. April meeting has been canceled. The next workgroup meeting is May 11, 2004.

Renewables

Workgroup is in the analysis and fact-finding stage. Issues include the renewable portfolio (four different scenarios), increasing state purchase of renewables, and a model zoning ordinance for the siting of wind and solar

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facilities. It was requested that any further proposals be forwarded to the workgroup by its next meeting date of March 25, 2004. The workgroup anticipates having its recommendations to the Task Force by June.

A matrix has been prepared comparing the existing Renewable Portfolio Standard law with proposals to change this standard. It was requested that the matrix be forwarded to the full Task Force. Rep. Jensen suggested that any new standard should include a credit trading program.

Standards – Building Codes

Workgroup Chair was not available for a report. Dave Simon encouraged additional input from Task Force members. It was requested that this workgroup look at SB 112 (review of commercial lighting plans) in preparation for the next legislative session. The next meeting of the workgroup is April 13, 2004.

The next Task Force meeting is scheduled for April 20, 2004 commencing at 9:30 a.m. in the Governor's Conference Room.